

SEAL BEACH MUTUAL NO. FIFTEEN**RESIDENT REGULATIONS****Eligibility Requirements**

1 Any person or persons jointly seeking approval of the Board of Directors of Seal Beach Mutual
 2 No. Fifteen to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the
 3 following income eligibility criteria:
 4

5 1. Apply for and be accepted as a member of the Golden Rain Foundation, Seal Beach,
 6 California.

7 2. Meet the Mutual eligibility criteria as follows:

8 2.1 Age

9 Minimum of 55 years, as confirmed by a birth certificate or passport. A driver's license
 10 is not acceptable as proof of age.

11 2.2 Financial Ability

12 2.2.1 Verified monthly income that is at least 4.5 times or greater than the
 13 monthly carrying charge (Regular GRF and Mutual Assessment plus
 14 Property Taxes and Fees) at the time of application and have liquid
 15 assets of at least \$50,000 over the purchase price. Verified monthly
 16 income/assets can be verified by any combination of the following and
 17 may be in the form of:

18 2.2.1.1 Tax returns for the past two years.

19 2.2.1.2 1099s for interest and dividends for the current two
 20 years. *(Assets used to purchase unit will not be included*
 21 *in income calculations)*

22 2.2.1.3 1099-Rs for retirement income from qualified plans and
 23 annuities for the past two years.

24 2.2.1.4 SSA-1099 Social Security Benefit Statements for the
 25 past two years.

26 2.2.1.5 Brokerage statements and current interim statement for
 27 the past two years. *(Assets used to purchase unit will*
 28 *not be included in income calculations.)*

29 2.2.1.6 At least the most recent six months' worth of
 30 checking/savings account statements *(assets used to*
 31 *purchase unit will not be included in income*
 32 *calculations).*

33 2.2.2 Adjusted Gross Income per 1040, 1040A, or 1040EZ; plus that portion
 34 of Social Security, IRA distributions, and pensions and annuities not
 35 included in adjusted gross income; plus tax exempt interest; *(assets*

(Sept 2021)

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36 *used to purchase unit will not be included in income calculations)*
 37 minus income tax, Social Security, Medicare, and self-employment
 38 taxes paid; and minus Medicare, medical insurance and prescription
 39 drug premiums; all divided by twelve (12) will equal net monthly
 40 income to be used in Paragraph 2.2. above.

41 2.2.3 Projected assessments will be the current year's assessment (total of
 42 carrying charge less any cable charge, including Orange County
 43 Property Taxes and Fees and GRF carrying charge), and the addition
 44 of the new property tax at 1.2% of the sales price plus Orange County
 45 District fees divided by twelve (12) for the new projected monthly
 46 assessment. This new figure (Regular Assessment plus Orange
 47 County Property Taxes and District Fees) times 4.5 will be the
 48 monthly income required. This will be verified by the Stock Transfer
 49 Office. Stock Transfer shall have the final say in establishing verifiable
 50 income/assets.

51 Verification shall be done by the Stock Transfer Office for each
 52 proposed shareholder(s) prior to the new buyer orientation and prior
 53 to the close of escrow (the above verification will not be done by the
 54 individual Mutual Directors; Directors will not be required to study or
 55 understand the financial requirements).

56 2.2.4 Only the resident shareholder's income shall be considered for
 57 qualifying.

58 2.2.5 If moving within Leisure World, or if there are any additions/changes
 59 to the title, the proposed shareholder(s) must meet these eligibility
 60 requirements.

61 2.3 Health

62 Have reasonably good health for a person of his/her age, so that shareholder can take
 63 care of normal living needs without calling on other members of the cooperative for an
 64 undue amount of assistance (see individual Mutual requirements). Leisure World is
 65 not a skilled nursing home facility or an assisted living facility.

66 3. Shareholder Buyer Premium Fee

67 3.1 Prospective Mutual 15 shareholder should be aware they will be assessed a
 68 Shareholder Buyer Premium Fee of \$750.00 at the time of escrow.

69 4. Assume, in writing, the obligations of the "Occupancy Agreement" in use by the Mutual
 70 Corporation.

71 Officers or Committees of the Board of Directors designated to approve new applicants
 72

(Sept 2021)

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RESIDENT REGULATIONS

Eligibility Requirements

73 are responsible that the eligibility criteria of this corporation is equitably applied to all
74 applicants. Approval or disapproval of buyer(s) must be received by the Stock Transfer
75 Office at least ten (10) working days prior to the close of escrow.
76

77 I have read and understood what is required for eligibility consideration in the above named
78 Mutual, including necessary documentation.
79

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81 _____
82 Prospective Buyer Date _____
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88 Prospective Buyer Date _____
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92 Prospective Buyer Date _____
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96 Prospective Buyer Date _____
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100 Prospective Buyer Date _____
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Document History

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102